

Starting Off on the Right Foot

(Answers to Questions Frequently Asked
by First-Time Candidates)

March 2005

- **Which Candidates Must File Disclosure Reports?**

Candidates running for state office must file personal financial affairs statements and campaign disclosure reports. Local office candidates in jurisdictions of under 1,000 registered voters as of last year's general election have no reporting requirements. Those in jurisdictions of 1,000 or more registered voters as of last year's general election must file financial affairs statements. Local office candidates in jurisdictions of 5,000 or more registered voters, or covering an entire county, must also file campaign disclosure reports. Take note that it's the number of voters in a jurisdiction that matters, not the number of voters in a candidate's district. Your county elections officials can tell you how many voters were in each jurisdiction as of last year's general election.

- **Electronic Filing**

Candidate and Political Committees that expect to spend \$10,000 are required to file campaign finance reports electronically. The PDC has developed free software for use in electronic filing of the required disclosure reports and offers free training on the use of the software.

To work properly, campaign data from the beginning of the election-cycle must be entered into the system.

For assistance with electronic filing of campaign finance reports, go to the PDC web page at www.pdc.wa.gov or call toll free at 1-877-601-2828.

- **What Starts the Whole Process?**

Becoming a candidate. And, according to the disclosure law, you become a candidate when you: raise and spend money for your campaign, reserve space or purchase advertising to promote your candidacy, authorize someone else to do any of these activities for you, state publicly that you're seeking office, or file a declaration of candidacy, whichever happens first.

- **Once I Become a Candidate, Then What?**

Within two weeks of the date you become a candidate, do the following: 1) Fill out a Personal Financial Affairs Statement (Form F-1) and mail it to PDC (persons who have a current F-1 on file with PDC need not re-file); and 2) Fill out the Candidate Registration form (Form C-1) and mail the original to PDC and a copy to your county auditor. (In King County, send copy to the Records, Elections and Licensing Services Division.)

Campaigns filing reports electronically with the PDC are not required to file with the County Auditor.

- **Where Do I Get Copies of Blank Forms and Instruction Manuals?**

Form templates, brochures and manuals are available on the PDC Web site at www.pdc.wa.gov under Filer Assistance. Contact the PDC at 360-753-1111 or toll-free at 1-877-601-2828. County Auditors (King County: Records, Elections and Licensing Services Division) also stock PDC forms, manuals and brochures.

- **I Suspect There's More to This Reporting . . . Am I Right?**

Probably. It depends on how much you're going to raise and spend on your campaign.

If you choose Mini Reporting (because during the course of your campaign you're raising and spending no more than \$3,500 in addition to your filing fee and you won't accept more than \$300 from any contributor besides yourself), the C-1 and the F-1 are the only PDC reports you have to file. Be sure to access and carefully review the Mini Reporting manual found at <http://www.pdc.wa.gov/filerassistance/manuals/>.

If you're going to raise and spend over \$3,500 to get elected (or less than that, but you want to accept more than \$300 from one or more donors), you fall into the Full Reporting category and you'll be filing frequent contribution and expenditure reports (Forms C-3 and C-4, respectively).

The PDC realizes that candidates are not always able to forecast campaign costs accurately, and may need to switch to a different reporting option. So long as this action is taken far enough before the election, permission from PDC will not be necessary. However, if the change is required within 30 business days of the election, the campaign must receive prior approval from PDC's executive director before exceeding limits imposed by mini reporting.

The approval to change reporting options from mini to full reporting within 30 business days of the election is not automatic and will only be granted under circumstances outlined in WAC 390-16-125.

- **When are Contribution and Expenditure Reports Due?**

C-3 Contribution Reports: Before July 1, candidates fill out a C-3 report for each bank deposit made and file the reports with their C-4 reports. Beginning July 1, on each Monday, campaigns must file C-3 reports of the bank deposits made during the previous 7 days.

Since contributions must be deposited within 5 business days of receipt, active campaigns will make at least one weekly deposit and, on Mondays, file a C-3 for each deposit.

C-4 Summary Reports: This report, along with its attached schedules, summarizes the campaign's financial activity and shows itemized expenditures; it's due:

From January through July, if a campaign has over \$200 in contribution or expenditure activity during a month, a C-4 report is filed by the 10th of the following month; During August through December, C-4 reports are due 21 and 7 days before the primary and general elections, even if there was little or no activity to report. Primary losers will also file on October 10.

General election candidates will file an additional C-4 on December 12. Obtain the 2005 Key Reporting Dates for Candidates.

All PDC reports are considered filed as of the postmark date or, if filed electronically, on the file transfer date.

• Where Do I File PDC Reports?

The personal financial affairs statement (F-1) is, in most cases, filed only with PDC in Olympia. Send the original of all campaign reports (the "C" series) to PDC; provide a copy of these campaign reports to your county auditor. (King County: Records, Elections and Licensing Services Division) By local ordinance, city office candidates may also have to file copies of "C" reports and the F-1 with their city clerk.

NOTE: Campaigns filing reports electronically with the PDC are not required to file with the County Auditor.

• Must I Have a Separate Campaign Account?

Yes. By law, candidates must open a separate campaign account in a bank, credit union or savings and loan institution. However, candidates using Mini Reporting have been permitted to use their personal checking or savings account for campaign purposes. They must be prepared, though, to allow anyone to review their checkbook register and bank statements during the eight days before the election when campaign records are open for public inspection.

• May I Serve as My Own Treasurer?

Yes. However, candidates using Full Reporting are strongly encouraged to enlist the aid of a treasurer who has the time and energy necessary to keep detailed, accurate records and file frequent reports. Your treasurer does not need to be a professional accountant.

• From Whom May I Accept Contributions?

Generally, contributions from individuals, corporations, unions and other organizations are permitted. Candidates for legislative and state executive office have special contributor restrictions. By federal law, no foreign corporations or citizens (unless they have green cards), national banks and corporations organized by authority of Congress and federal government contractors may contribute to or spend funds on behalf of U.S. candidates.

A candidate may personally finance his/her entire campaign. Local restrictions may apply to candidates seeking some county and city offices.

Check with your county auditor (King County: Records, Elections and Licensing Services Division) or your city clerk.

• Is There a Contribution Limit?

State law sets contribution limits on donations to legislative and state executive office candidates as well as bona fide political party and caucus political committees. See instruction manuals for details.

Also, during the 21 days before the general election, no contributor (except the state committee of a major political party or a minor party) may give more than a total of \$50,000 to a statewide office candidate or \$5,000 to any other candidate or political committee. This restriction also applies to a candidate's contributions to his or her own campaign. Candidates must not accept contributions that exceed their respective limits. Additional local restrictions may apply to candidates seeking local office.

• Is There an Expenditure Limit?

Although Mini reporting has an expenditure maximum, no other expenditure limit exists in state law.

• Must I Identify All Contributors?

Anyone who gives you more than a total of \$25 during the course of your campaign in monetary and in-kind contributions must be identified by name and full address. Plus, if an individual gives you more than \$100, you must also show this person's occupation and the name, city and state of his or her employer.

• May I Be Reimbursed for the Personal Funds I Spend on My Campaign?

A candidate's contributions to his or her own campaign must first be reported as loans in order to be eligible for repayment. If you loan your campaign over \$4,000 per election, however, you may only be repaid up to \$4,000 for primary election loans and \$4,000 for general election loans. If you keep receipts or other detailed records concerning out-of-pocket expenses, the campaign may reimburse you as long as it does so promptly.

• Are There Laws Governing Political Ads?

Yes. Details are in PDC's Political Advertising brochure or the Political Advertising section in the instruction manual.

For more information, contact PDC at (360) 753-1111, toll-free 1-877-601-2828, pdc@pdc.wa.gov (e-mail), or visit PDC's Website (<http://www.pdc.wa.gov>).